

American Recovery and Reinvestment  
Act of 2009

## Energy Efficiency and Conservation Block Grant Program

Program Design and Guidelines

July 14-16, 2009  
California Energy Commission



# Workshop Agenda

- Welcome and Introductions
- Brief Overview of Energy Efficiency and Conservation Block Grant Program (EECBG)
- Program Design
- How to Apply
- Questions to Consider
- Schedule and Next Steps
- Registration Requirements/Information Resources
- Questions



# Federal EECBG Goals: Energy Independence and Security Act of 2007

- To reduce fossil fuel emissions created as a result of activities within the jurisdictions of eligible entities in a manner that--
  - is environmentally sustainable
  - to the maximum extent practicable, maximizes benefits for local and regional communities
- To reduce the total energy use of the eligible entities
- To improve energy efficiency in--
  - the transportation sector
  - the building sector
  - other appropriate sectors



# Federal EECBG Requirements

- Accountability
- Transparency
- Prevailing Wages must be paid.
- “Buy American” when possible.
- Strict reporting requirements.
- Funding Prohibitions: gambling establishments, aquariums, zoos, golf courses or swimming pools.
- Recipients must have a Dun and Bradstreet (DUNS) number
- Recipients must register with Central Contract Registration (CCR)



# U.S. DOE's Direct EECBG Funding Allocations

- Large cities and counties (as determined by DOE) will receive direct awards totaling more than \$302 million.
  - City populations of 35K or greater.
  - County populations of 200K or greater.
  - Energy Commission is not involved with large city/county allocations.
- Energy Commission will receive \$49.6 million.



## Energy Commission's EECBG Funding Allocations (\$49.6 million)

- At least \$29.8 million must be passed through to cities/counties not receiving a direct EECBG allocation from U.S. DOE.
- Remaining \$19.8 million at discretion of Energy Commission.



# State Law Affecting EECBG Funds (AB 2176)

- Affects funds administered by the Energy Commission.
  - Small City/County Pass-Through Funds:
    - shall be used to provide cost-effective energy efficiency and conservation grants.
    - shall be prioritized based on cost-effective energy efficiency.
  - Discretionary Funds:
    - shall be used to provide cost-effective energy efficiency and conservation grants to eligible entities.



# Limitation on Administrative Expenses per AB 2176

- Limitation on Cumulative “Administrative Expenses”
  - Not more than 5 percent of the funds received ... shall be expended for administrative expenses, including, but not limited to, the combined administration program costs, indirect costs, overhead, and costs associated with the Statewide Cost Allocation Plan, including those administration program costs, indirect costs, and overhead costs of all other public and private entities associated with the disbursement, the expenditure of funds, or both the disbursement and expenditure.
- This will leave approximately 2.5% for local jurisdictions.



## Program Design for Small Cities/Counties

- Allocations based on a formula.
- Establishes minimum funding levels.
- Requires cost-effective energy efficiency.
- Allows for energy efficiency projects or direct equipment purchases.



# Program Design: Allocation Formula

- Base allocation of \$5.00 per person, using DOE population estimates
- Base allocation increased by unemployment rate  
 $(1 + \text{unemployment rate}) \times \$5.00$
- Minimum funding levels:
  - \$25,000 per City
  - \$50,000 per County



# Program Design: Minimum Funding Allocations

- Cities/Counties Receiving Minimum Allocations:
  - Funding provided from discretionary EECBG funds.
  - 180-day encumbrance deadline does not apply.
  - May be processed after required pass-through awards are funded.
  - Allows larger per capita grants to all jurisdictions.



# Program Design: Eligibility Criteria

- Eligible Small City/County or Designated Partnership
- Focus on Energy Efficiency
- Cost-Effectiveness
- Ability to Effectively Administer Project
  - Reporting and Data Collection
  - Adhere to Admin Expense Cap
  - Complete Project within Required Timeframe
- Prohibited Projects
  - Swimming Pools
  - Gambling Establishments
  - Aquariums
  - Zoos
  - Golf Courses



# Program Design: Use of Funds

- Cost-Effective Energy Efficiency Projects
  - Based on energy saved per \$ spent (not dollars saved) – So utility rates do not matter.
  - Minimum of 10 million source British Thermal Units (Btus) saved per \$1,000 of EECBG funds spent.
  - Feasibility study is required to verify energy savings.
- Direct Purchase Option
  - Types of energy saving equipment will be specified.
  - Applications of equipment may be specified in certain instances.



# Program Design: Eligible Project Types\*

- Historically Most Cost-effective Projects
  - Lighting Retrofits and Controls
  - Street Lighting and Traffic Signals
  - HVAC Modifications and Controls
  - Automated Energy Management Systems
  - Motors, Variable Speed Drives and Pumps
  - Water/Wastewater System Process and Controls



**\*NOTE: List of eligible projects is not comprehensive**

# Program Design: Selecting a Project or Equipment

- Energy Commission can help!
  - Staff can provide assistance over the phone.
  - Staff can make site visits, to evaluate potential projects and advise.
  - Energy Commission can provide energy assessments, up to \$20,000 of our consultant's cost per application.
- Request assistance as soon as possible, if you will need it
  - We will be very busy.



# How To Apply

- Funding Solicitation

- Released after program guidelines adopted (est. Sept 2009)
- Provides detailed instructions, forms, criteria, requirements, etc.
- Establishes application deadline.

Note: Application deadlines may be short. Eligible entities are encouraged to identify projects well before the solicitation is released, if possible.

- Applications anticipated to be processed on a first-come, first-served basis.



## Match Funding and Partnerships Encouraged

- The Energy Commission encourages use of match funding.
  - Utility Incentives wherever possible.
  - Energy Commission loan program is available. Interest rates have recently been lowered to 3%.
  - Bond or other sources of available funds.
- Partnerships can reduce overhead costs, reduce administrative burden and provide expertise.



## Additional Issues

- Prevailing Wage
  - When required, prevailing wage requirements must be followed.
- Buy American
  - Federal legislation requires purchase of American-made products where possible.



## Questions to Consider

1. What barriers would limit your jurisdiction's participation in this program?
2. Does your jurisdiction have energy reduction projects identified to be funded?
  - a) At what stage of development are any project proposals?
  - b) Do the proposals have match funding?
3. Is your jurisdiction interested in a loan to help? If the Energy Commission were able to lower interest rate to 1%, would that make a difference?



## Questions to Consider

4. Is your jurisdiction part of a partnership that could apply for funding?
5. How can the Energy Commission best encourage partnerships among small jurisdictions?
6. Does your jurisdiction plan to work with larger jurisdictions receiving direct awards from DOE?



## Schedule

- June 25, 2009: CA's EECBG application sent to DOE.
- Aug/Sept 2009 (estimated): Energy Commission receives EECBG grant award from DOE.
- September/October 2009 (estimated): Energy Commission releases funding solicitation.
- Feb/March 2010 (estimated): Energy Commission must encumber at least 60% of funding to small Cities/Counties.
- Aug/Sept 2012 (estimated): All projects/programs must be completed and paid.



## Next Steps

**We want your input!**

Comments on this program design or additional issues  
by July 21, 2009 (the sooner the better) to:

**EECBG@energy.state.ca.us**



# Registration Requirements

- Energy Commission's email listserver
  - [www.energy.ca.gov/recovery](http://www.energy.ca.gov/recovery)
- Dun and Bradstreet DUNS number
  - [www.dnb.com/US/duns\\_update/](http://www.dnb.com/US/duns_update/)
- Central Contractor Registration (CCR)
  - [www.ccr.gov/](http://www.ccr.gov/)



## For More Information

- Energy Commission's Recovery website at
  - [www.energy.ca.gov/recovery](http://www.energy.ca.gov/recovery)  
(preliminary EECBG guidelines available here)
- Federal Energy ARRA Website
  - [www.energy.gov/recovery](http://www.energy.gov/recovery)
- Federal EECBG Website
  - [www.eecbg.energy.gov/](http://www.eecbg.energy.gov/)

